

MINUTE ITEM

This Calendar Item No. C5
was approved as Minute Item
No. 5 by the State Lands
Commission by a vote of 2 CALENDAR ITEM
to 0 Acres 0.5.77
meeting.

C5.

AMENDMENT AND RENEWAL OF
INDUSTRIAL LEASE PRC 602.1

5/79
WP 602
Horn
PRC 602

APPLICANT: Union Oil Company of California
Union Oil Center
Box 7600
Los Angeles, California 90051

AREA, TYPE LAND AND LOCATION:
Approximately 19.4 acres of coastal tide
and submerged lands offshore from the City
of Ventura, Ventura County.

LAND USE: Marine petroleum terminal with appurtenances.

TERMS OF ORIGINAL LEASE:

Initial period: 15 years from April 12,
1951.

Renewal options: 3 successive periods
of 10 years each.

Surety bond: \$1,000.

Consideration: \$129.04 per annum.

TERMS OF LEASE DURING FIRST 10-YEAR RENEWAL:

Period: 10 years from April 12,
1966.

Renewal options: 2 successive periods
of 10 years each.

Surety bond: \$50,000.

Public liability insurance: \$600,000 per
occurrence for bodily
injury and \$5,000,000
for property damage.

TERMS OF PROPOSED LEASE AMENDMENT AND RENEWAL:

Period: 10 years from April 1,
1976.

A 36

S 18

CALENDAR PAGE	16
MINUTE PAGE	810

CALENDAR ITEM NO. C5. (CONTD)

Renewal options: 1 additional period of 10 years.

Surety bond: \$50,000.

Public liability insurance: \$1,000,000 per occurrence for bodily injury and \$5,000,000 for property damage.

Special: Rental Impound: The proposed lease renewal provides that rental in excess of the minimum annual rental shall be paid into a special deposit account in the State Treasury pending the outcome of litigation challenging the Commission's volumetric rental regulations. Should such regulations be declared invalid, impounded rentals shall be refunded and a new reasonable rental shall be determined by the Commission.

Consideration: Commencing April 1, 1976, volumetric rental accrues according to the following schedule:

- (a) \$0.01 (one cent) per barrel of commodities until the minimum annual rental below (d) is equaled.
- (b) \$0.002 (2 mils) per barrel for the next 5,000,000 barrels; and
- (c) \$0.005 (5 mils) per barrel for each additional barrel passing over the State's land in that same lease year.

CALENDAR PAGE	17
MINUTE PAGE	811

CALENDAR ITEM NO. C5. (CONTD)

- (d) For the period April 1, 1976 through March 31, 1981 the minimum annual rental is \$17,500. For the period April 1, 1981 through March 31, 1986 the minimum annual rental is \$21,000.

BASIS FOR CONSIDERATION:

Volumetric rental pursuant to 2 Cal. Adm. Code 2005.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is permittee of upland.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2.
B. Cal. Adm. Code: Title 2, Div. 3, Title 14.

OTHER PERTINENT INFORMATION:

1. An EIR is not required. This transaction is within the purview of 2 Cal. Adm. Code 2907, Class 1(B), which exempts an existing structure or facility that is in an acceptable state of repair and there is no evidence of record to show injury to adjacent property, shoreline erosion, or other types of environmental degradation.
2. This project is situated on State land identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and is classified in a use category, Class B, which authorizes Limited Use.

Staff review indicates that there will be no significant effect upon the identified environmental values. This is an existing facility for which no adverse comments have been received.

3. This activity is exempt from the requirements of the Commission's Coastal Regulations, because it is not a development within the meaning of said regulations.

CALENDAR PAGE	18
MINUTE PAGE	872

CALENDAR ITEM NO. C5. (CONTD)

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

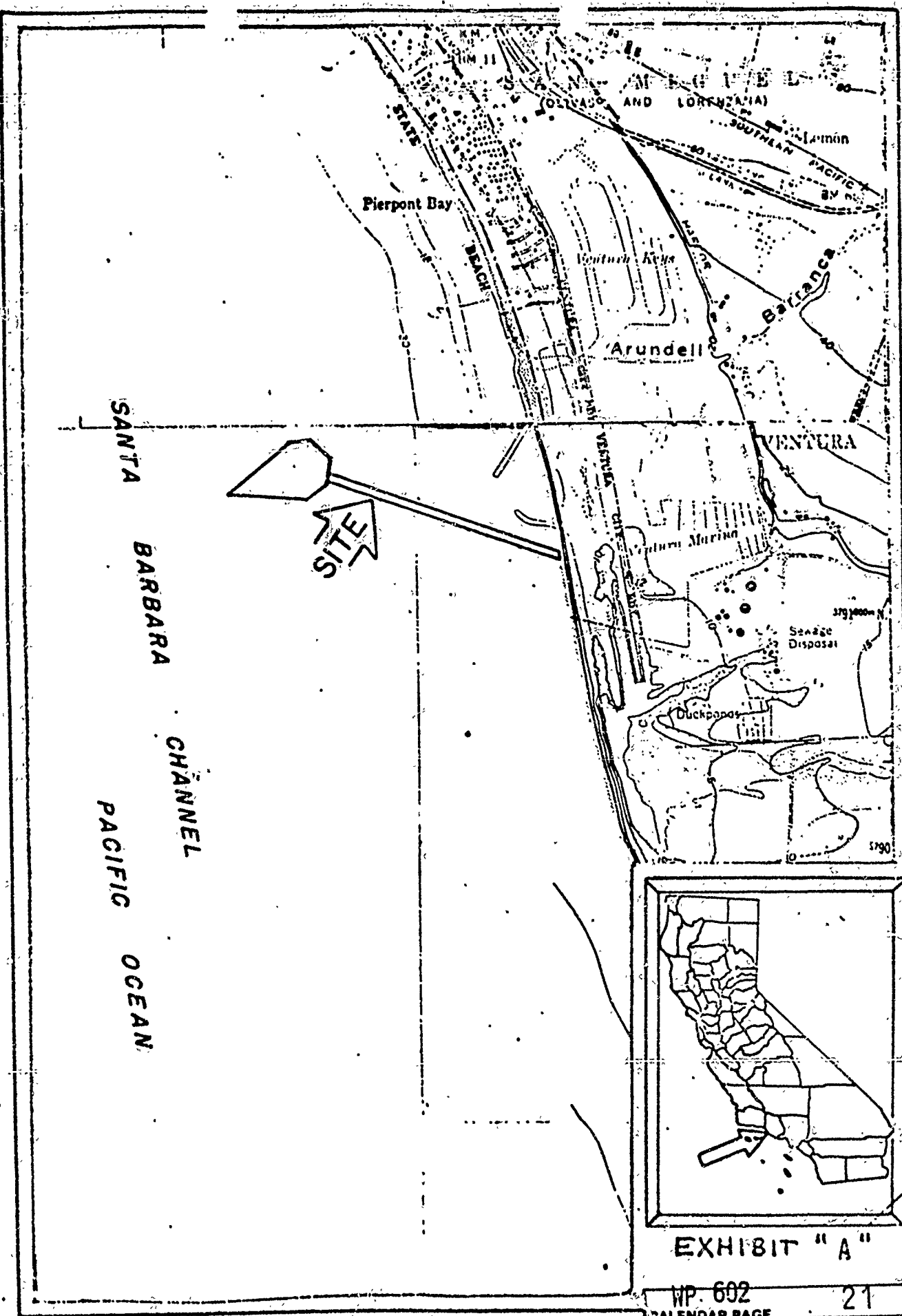
1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21085, 14 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2907.
2. DETERMINE THAT THIS PROJECT IS EXEMPT FROM THE REQUIREMENTS OF ARTICLE 6.5, OF TITLE 2, OF THE CAL. ADM. CODE BECAUSE THIS PROJECT IS NOT A DEVELOPMENT WITHIN THE MEANING OF SECTION 2503, OF TITLE 2, OF THE CAL. ADM. CODE AND SECTION 30105 OF THE P.R.C.
3. FIND THAT GRANTING OF THE AMENDMENT AND RENEWAL TO LEASE 602.1 WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, OF THE P.R.C.
4. AUTHORIZE ISSUANCE TO UNION OIL COMPANY OF CALIFORNIA OF A 10-YEAR RENEWAL OF LEASE PRC 602.1 FROM APRIL 1, 1976, WITH LESSEE'S OPTION TO RENEW FOR 1 SUCCESSIVE PERIOD OF 10 YEARS; IN CONSIDERATION OF RENTAL TO BE PAID AS FOLLOWS:
 - (A) UNTIL THE MINIMUM ANNUAL RENTAL PROVIDED FOR IN PARAGRAPH (C) HEREOF IS EQUALED IN EACH LEASE YEAR, THE ANNUAL RENTAL SHALL BE COMPUTED BY MULTIPLYING THE NUMBER OF BARRELS OF CRUDE OIL AND PRODUCTS AND DERIVATIVES THEREOF PASSING OVER THE STATE'S LAND BY \$0.01 (ONE CENT).
 - (B) FOR THE NEXT 5,000,000 BARRELS BEYOND THE NUMBER OF BARRELS NECESSARY TO SATISFY THE MINIMUM RENTAL UNDER PARAGRAPH (A) HEREOF, THE RENTAL SHALL BE \$0.002 (2 MILS) PER BARREL; AND THEREAFTER \$0.005 (5 MILS) PER BARREL FOR EACH ADDITIONAL BARREL OF SUCH COMMODITIES PASSING OVER THE STATE'S LAND IN THAT SAME LEASE YEAR.
 - (C) FOR THE PERIOD APRIL 1, 1976 THROUGH MARCH 31, 1981 THE MINIMUM ANNUAL RENTAL SHALL BE \$17,500 FOR THE PERIOD APRIL 1, 1981 THROUGH MARCH 31, 1986 THE MINIMUM ANNUAL RENTAL SHALL BE \$21,000.

CALENDAR ITEM NO. C5. (CONTD)

PROVISION OF A \$50,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE IN AMOUNTS OF \$1,000,000 PER OCCURRENCE FOR BODILY INJURY AND \$5,000,000 FOR PROPERTY DAMAGE; FOR THE CONTINUED MAINTENANCE AND USE OF AN OFFSHORE MARINE PETROLEUM TERMINAL TOGETHER WITH APPURTENANCES ON THE LAND DESCRIBED ON PAGES 2 AND 3 OF AMENDMENT AND RENEWAL OF LEASE PRC 602.1 DATED SEPTEMBER 27, 1974 AND BY REFERENCE MADE A PART HEREOF.

5. PROVIDE IN THE AMENDMENT FOR PAYMENT OF RENTALS IN EXCESS OF THE MINIMUM ANNUAL RENTAL INTO A SPECIAL DEPOSIT ACCOUNT IN THE STATE TREASURY, PENDING FINAL DISPOSITION OF CURRENT LITIGATION CONCERNING THE VALIDITY OF THE COMMISSION'S VOLUMETRIC RENTAL REGULATIONS; SAID IMPOUNDED RENTALS TO BE REFUNDED AND A NEW REASONABLE RENTAL DETERMINED BY THE COMMISSION SHOULD THE COMMISSION'S VOLUMETRIC RENTAL REGULATIONS BE INVALIDATED.

CALENDAR PAGE	20
MINUTE PAGE	814



SANTA
BARBARA
CHANNEL
PACIFIC
OCEAN

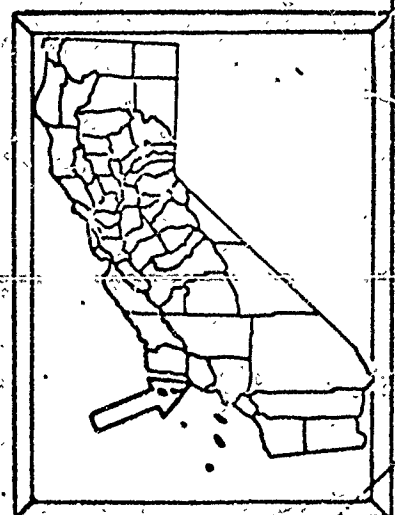
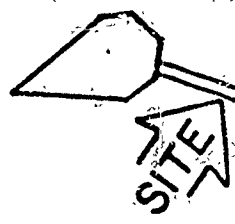


EXHIBIT "A"

WP. 692	21
CALENDAR PAGE	815
MINUTE PAGE.	